

Hawai'i State Association of Counties (HSAC)

Counties of Kaua'i, Maui, Hawai'i and City & County of Honolulu

www.hicounties.com



MINUTES
HSAC EXECUTIVE COMMITTEE MEETING
May 30, 2017
Honolulu Hale, Committee Meeting Room
530 South King Street
Honolulu, Hawai'i 96813

I. CALL TO ORDER

The HSAC Executive Committee was called to order by HSAC President and County of Maui Councilmember Stacy Crivello at 4:26 p.m. The following members comprising a quorum were present:

County of Maui:	President Stacy Crivello, County of Maui Councilmember
County of Hawai'i:	Vice President Valerie Poindexter (Alternate), County of Hawai'i Council Chair
County of Kaua'i:	Secretary Mel Rapozo, County of Kaua'i Council Chair
City and County of Honolulu:	Treasurer Joey Manahan (Alternate), City and County of Honolulu Councilmember
Others Present:	Vice President Dru Kanuha, (noted present at 4:48 p.m.) County of Hawai'i Councilmember

Honolulu staff Brandon Mitsuda, Council Liaison,
Honolulu City Council Administrative Support
Services;
Honolulu staff Francisco Figueiredo, Legislative
Aide, Office of Councilmember Ikaika Anderson;
Honolulu staff Kamakana Watanabe, Office of
Council Services, City & County of Honolulu
County of Maui staff Kit Zulueta, Communication
Director, Office of Council Services;
Kaua'i staff Aida Kawamura, Legislative Assistant,
Office of Council Services;

Scott Ishikawa, Becker Communications, Inc.



II. APPROVAL OF AGENDA

Secretary Rapozo moved for approval of the Agenda as circulated, seconded by Treasurer Manahan, and unanimously carried.

III. MINUTES

- A. Minutes of the April 24, 2017, HSAC Executive Committee meeting, as submitted by the HSAC Secretary.

Secretary Rapozo moved for approval of the Minutes of the April 24, 2017, HSAC Executive Committee Meeting, seconded by Treasurer Manahan, and unanimously carried.

*See Hawai'i County Report below for amendments to the Minutes of the March 17, 2017, HSAC Executive Committee Meeting.

IV. REPORTS

A. Treasurer's Report

1. Treasurer's Report for April 2017, as submitted by the HSAC Treasurer.

Secretary Rapozo moved to approve the HSAC Treasurer's Report for the Month of April 2017, seconded by Vice President Poindexter, and unanimously carried.

B. County Reports

1. City and County of Honolulu Report. Treasurer Manahan provided an update on the City Council Meetings, Projects, and Events. See report dated May 30, 2017 attached hereto.
2. County of Hawai'i Report. Vice President Alternate Poindexter requested that the County of Hawai'i Report be deferred until the arrival of Councilmember Kanuha. There were no objections to this request.
3. County of Kaua'i Report. Secretary Rapozo reported on the Hawai'i State Association of Counties conference scheduled for June 19-20, 2017 on the island of Kaua'i. Secretary Rapozo reviewed the list of speakers and the various panels scheduled for the conference.



President Crivello noted that the Real Property Tax panel will be interesting, just based on the recent proposal by the State Legislature to utilize real property tax funds for State purposes. Secretary Rapozo is looking forward to a productive discussion during the Legislative Update. The conference will end with a Medical Marijuana panel with representation from the different components surrounding the issue. Secretary Rapozo requested assistance with boosting registrations for the conference and the golf tournament.

Members discussed the issue of dairies in the State. Hawai'i County Council Chair Poindexter stated that dairies of the past were the right size, in the right place, and had the right management. When dairies are sitting on 12-19% slopes of highly erodible soil, that site is not appropriate for a dairy, especially a CAFO—a concentrated animal feeding operation. Hawai'i County Council Chair Poindexter supported the small farmer/small agriculture type of operation, including small dairies, in each community because history has proven it can work. Large-scale agriculture is scary, because the State does not have the regulatory bodies in place to protect the community from environmental dairy pollution that can damage the aquifer.

Councilmember Kanuha was noted present at 4:48 p.m.

County of Hawai'i Report. Vice President Kanuha noted that Hawai'i County Council is still reviewing the County's annual budget. A hearing will be held on June 5, 2017 on the 6.5% increase in real property taxes on all classes, except for affordable rentals. This increase would provide for a \$491 million budget, which is a \$21.5 million increase over last year's budget and a large increase since the supplemental budget proposal. Vice President Kanuha said he anticipates numerous budget amendment proposals. The Council will also be holding a public hearing on the Mayor's proposal for fuel tax, which would generate approximately \$414,000. The County fuel tax is anticipated to increase over 100% over the next few years, and the Council is working hard to ensure an appropriate, balanced budget.

Hawai'i County Council Chair Poindexter added that Mayor Kim reported at a recent forum in Kona that he sent letters to the Mayors and the Governor requesting that they not support the union negotiated increases. Mayor Kim cited the costs related to



union raises and the drop in TAT revenues as reasons for proposing increases in fees and taxes.

Vice President Kanuha stated that his colleagues questioned the wording contained in the March 17, 2017 Minutes. He requested the following amendments:

“County of Hawai‘i Report. Vice President Kanuha reported that the Styrofoam measure (polystyrene ban) passed and will move on to the full Council where an ad hoc committee has been created for additional review. The Hawai‘i County Administration ~~[opposed]~~ voiced concerns with the Styrofoam measure because of ~~[its fiscal]~~ potential challenges when implementing the law. Mayor Kim recently canceled a composting contract that had been in operation for 7-8 months, which may lead to possible legal ramifications for the County. ~~[This has resulted in a lawsuit being filed against the County.]~~ Mayor Kim also issued a new contract that is pending approval by the Council. Hawai‘i newspapers reported that Mayor Kim hired lobbyists in excess of \$16,000 a month to lobby in behalf of Hawai‘i County. Hawai‘i County Council is expecting a briefing on this matter.”

There being no objections, the amendments to the Minutes of the March 17, 2017 Executive Committee Meeting were approved.

4. County of Maui Report. President Crivello reported that Maui County Council held its second and final reading on and passed the County’s \$704.8 million fiscal 2018 budget. Maui County Council also passed a restriction on the sale and use of polystyrene foam food service containers, which will take effect December 31, 2018. President Crivello stated that the legislation was watered down, because it originally included a restriction on shipping items such as Cup O’ Noodles. The Council is currently working on the Moloka‘i community plan, which will be very unique and interesting. President Crivello noted that the Lāna‘i community plan took two years to finalize.

There being no objections, the foregoing County Reports were received for the record.



C. National Association of Counties (NACo) Report

Vice President Kanuha stated that he just returned home this past weekend after attending a WIR meeting in Deschutes, Oregon. A report will be submitted at the next meeting.

D. Western Interstate Region (WIR) Report

President Crivello noted that five members from the Maui County Council were present at the recent WIR conference, along with Hawai'i County Councilmembers Kanuha and Richards, Kaua'i County Councilmember Kaneshiro, and City Council Chair Martin who attended the conference on Saturday. President Crivello noted that a major focus of the conference was on PILT. There were presentations on the cannabis issue and recreational marijuana due to a lot of challenges with its illegal use. This is another example where the State passes laws that the county needs to provide permitting and enforcement. Former Congresswoman Mary Bono did a presentation on drug prescription use. Another area of interest was the Economic Development & Rural Areas. President Crivello enjoyed networking with fellow Hawai'i members and hoped to continue this type of learning and exchanging of ideas, which proved to be very informative.

There being no objections, the NACo Report and the WIR Report were received for the record.

V. NEW BUSINESS

A. Copy of letter to Kaua'i County Councilmember JoAnn Yukimura on HSAC's annual budget for fiscal year 2018.

Secretary Rapozo moved to receive the communication for the record, seconded by Vice President Kanuha, and unanimously carried.

B. Kaua'i County Council Resolution 2017-32, adopted on April 26, 2017, approving HSAC's annual budget for fiscal year 2018.

Secretary Rapozo moved to receive the communication for the record, seconded by Treasurer Manahan, and unanimously carried.

C. Honolulu City Council Resolution 17-114, adopted on May 10, 2017, approving HSAC's annual budget for fiscal year 2018.



Secretary Rapozo moved to receive the communication for the record, seconded by Treasurer Manahan, and unanimously carried.

- D. Kaua'i County Council Resolution 2017-36, adopted on May 17, 2017, approving nominees to the NACo and WIR Board of Directors.

Treasurer Manahan moved to receive the communication for the record, seconded by Secretary Rapozo, and unanimously carried.

- E. Consideration of engagement letter from Carbonaro CPAs & Management Group to provide audit and tax return services to HSAC for years ending 2017, 2018 and 2019.

Secretary Rapozo moved to approve engagement of Carbonaro CPAs & Management Group for audit and tax return services for years ending 2017, 2018, and 2019, seconded by Treasurer Manahan, and unanimously carried.

- F. Report from HSAC Lobbyist Michael P. Victorino on legislative updates and 2017 State Legislative Session wrap-up.

President Crivello noted that Mr. Victorino has not submitted a report.

Secretary Rapozo hoped that the Legislature is not playing a game with HSAC. He believed that HSAC should continue to stand firm and educate the public. Hiring Becker Communications was a good decision. President Crivello stated that everyone needs to keep a watchful eye on what is happening at the Legislature, because things change without notice. Secretary Rapozo stated an interest in pursuing a Sunshine Law requirement for the Legislature. Treasurer Manahan stated appreciation for the support the City & County of Honolulu received from the neighbor island counties during this legislative session.

There being no objections, Mr. Victorino's report was deferred to the next meeting.

- G. Consideration of a contract extension for Becker Communications to provide public relations and media services.

Scott Ishikawa, Becker Communications, stated that this year was a great experience spending the whole session with HSAC members, although at times he was second-guessing the actions taken. Mr. Ishikawa provided a recap of the media coverage for the 2017



legislative session (see attached Media Value Report). Mr. Ishikawa believed that HSAC's approach was not over-aggressive, and it was important for members to voice concerns at critical moments. HSAC was successful in branding its purpose and the media group now seeks out HSAC for commentary on many issues, such as the sunseting of lifeguard immunity.

Members discussed issuing an op-ed regarding the legislative outcome. Members believed that a special session will be called to entertain just the rail issue. The information in the draft op-ed is factual. President Crivello believed that the op-ed should be published as soon as possible.

Secretary Rapozo moved to release the op-ed, seconded by Vice President Kanuha.

Mr. Ishikawa recommended that the op-ed be released the week before the HSAC Annual Conference to give it timeliness. Secretary Rapozo stated that it is important for HSAC to provide a recap of its legislative efforts soon. President Crivello recommended modifying the op-ed to state that the counties united to support O'ahu's needs for rail. Members felt it was important for Councilmember Anderson to comment on the op-ed prior to releasing it. Mr. Ishikawa will make changes to the op-ed and get approval from the members prior to releasing it to the media.

Secretary Rapozo moved to renew HSAC's contract with Becker Communications for the period May 2017 to June 30, 2018, seconded by Vice President Kanuha, and unanimously carried.

There were no objections for reimbursement of travel expenses for Mr. Ishikawa to attend the 2017 Annual HSAC Conference on Kaua'i.

VI. OLD BUSINESS

- A. Correspondence from U.S. Senator Mazie Hirono, relating to a draft resolution for consideration regarding potential cuts to federally funded Native Hawaiian programs and to strengthen these programs.

Secretary Rapozo shared a County Attorney opinion he obtained stating that the proposed language in the resolution is appropriate under state and federal law regarding the status of native Hawaiians and their special relationship with various governmental entities as an indigenous people under various state and federal statutes. Secretary Rapozo



recommended that the resolution be entertained at the July 2017 Executive Committee meeting.

Secretary Rapozo moved to approve that HSAC move forward with the proposed resolution requested by U.S. Senator Mazie Hirono, seconded by Treasurer Manahan, and unanimously carried.

VII. ANNOUNCEMENTS

A. Scheduling of the next meeting.

The next Executive Committee meeting is scheduled for Monday, June 19, 2017, at 9 a.m. on Kaua'i.

B. Other announcements.

Discussion regarding Nationwide's proposal to provide services. Secretary Rapozo stated that the original intent was for Nationwide to be an HSAC product available to county employees. After further discussion, it was determined that because of procurement laws, Nationwide will need to submit a proposal for consideration by the counties when the next solicitation for bids is advertised. President Crivello noted that it is important to provide county employees with options.

President Crivello announced the impending departure of Maui County Staff Kit Zulueta following the HSAC Annual Conference on Kaua'i. Ms. Zulueta will be continuing her communications expertise at Maui College.

There were no other announcements.

VIII. ADJOURNMENT

The meeting was adjourned at 6:07 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mel Rapozo", is written over a horizontal line.

MEL RAPOZO, Secretary
Hawai'i State Association of Counties